DIGIA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Robust earnings at an attractive price

We reiterate our EUR 6.8 target price for Digia's share, and raise our recommendation to Buy (was Accumulate) following the share price drop and decreased risk level. Digia's Q3 was better than our expectations and eased minor concerns regarding revenue performance and soft profitability. Market commentary was still partly cautious, but more positive than before. The big picture remains unchanged, and we still expect the company to be one of the sector's winners and a long-term earnings growth engine. The stock's valuation (2026e P/E 9x and EV/EBIT 8x) is simply very attractive.

Revenue held its ground, driven by international business and proprietary products

Digia's revenue decreased by 1% to 49 MEUR, exceeding our estimate of 48 MEUR. Geographically, international business grew strongly (12%), and the decline in Finnish business revenue eased to 4% (Q2'26: -7%). Market challenges continued to be reflected as delays in project starts and smaller-than-planned volumes of development work in some customer accounts. On the other hand, according to the company, Q3 was the best of the current year in terms of sales measured by contract value, which is underlined by the significant delivery agreement signed with OP after the review period.

Efficiency measures propelled profitability to a beat

Digia's adj. EBITA reached 5.2 MEUR, exceeding our 4.7 MEUR estimate clearly. The adj. EBITA margin rose to 10.6%, beating our 9.9% expectation. Better-than-expected profitability is explained by the measures to renew its operations and improve billing rates. In the uncertain project market, margins were likely also supported by the fact that the share of recurring service and maintenance business in revenue increased to 53% (Q3'25: 52%). The quality of the earnings is highlighted by the fact that the company achieved a good margin while continuing its strategic investments in productization, the utilization of AI, and internationalization.

Good and solid earnings growth in the coming years

Digia downgraded its guidance in September and now guides for revenue growth and EBITA below the comparison period in 2026. We kept our estimates almost unchanged, as the adjusted earnings estimates for 2026-2027 decreased by 1-2% and the estimates for 2028 increased by 2%. We expect revenue to grow by 1% to 219 MEUR and EBITA to decrease by 10% driven by a weak H1'26 in 2026. For 2027-2028, we estimate organic revenue to grow by 2-3%, supported by a gradually recovering general market. We estimate that adjusted profitability will rise to just above 10% in 2027-2028 as investments decrease and scalability improves. Digia has historically been very active on the M&A front, and we expect the company to continue its largely successful inorganic growth in the future, once a suitable acquisition target is found.

The valuation picture is simply very attractive

Digia has strengthened its profile as an earnings growth company in recent years and has risen to one of the sector's top performers, which supports the share valuation. Based on the valuation methods we use, the stock is at least attractively priced from all perspectives (2026e P/E 9x, EV/EBIT 8x, and an expected return of ~20%). Considering our DCF calculation (EUR 8.0) and the relative valuation level (~30-40% below peers), the share is very attractively priced. Following Digia's September profit warning, the short-term estimate risk has unwound, and Q3 demonstrated moderately positive momentum in terms of the numbers. In the big picture, the company's risk profile is, in our view, among the lowest in the sector, as illustrated by stable and good operational performance in recent years. In summary, we see the fair value of the share in the range of EUR 6.8-8.0 per share. Our target price is at the lower end of the range, weighed down by the weakness earlier in the year. As earnings growth continues, the upper end of the range can gradually begin to be applied.

Recommendation
Buy
(was Accumulate)

Target price:
EUR 6.80
(was EUR 6.80)

Share price:
EUR 5.14

Business risk



Valuation risk



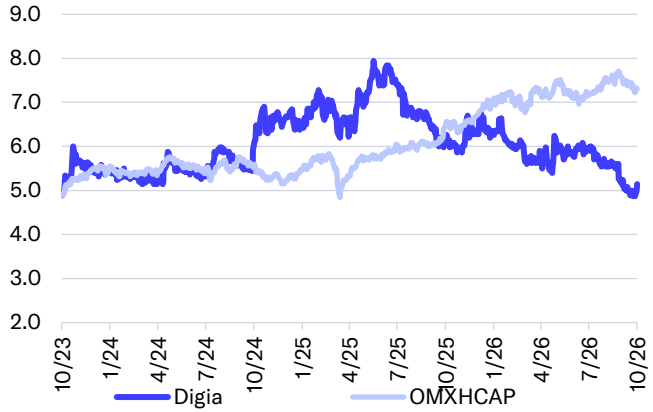
	2025	2026e	2027e	2028e
Revenue	217	219	224	231
growth-%	6%	1%	2%	3%
EBITA	21.3	19.2	22.0	24.1
EBITA-%	9.8 %	8.8 %	9.8 %	10.4 %
Net Income	12.8	12.3	14.8	16.9
EPS (adj.)	0.63	0.57	0.63	0.69
P/E (adj.)	10.5	9.0	8.2	7.4
P/B	1.9	1.4	1.3	1.1
Dividend yield-%	2.9 %	4.1 %	4.5 %	4.9 %
EV/EBIT (adj.)	8.8	7.6	6.4	5.4
EV/EBITDA	7.9	6.5	5.4	4.6
EV/S	0.9	0.7	0.6	0.6

Source: Inderes

Guidance (Unchanged)

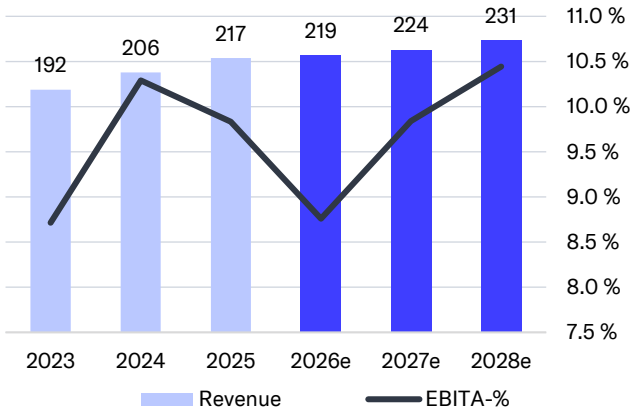
Digia's guidance is that revenue will grow and EBITA will be below the comparison period's level in 2026.

Share price



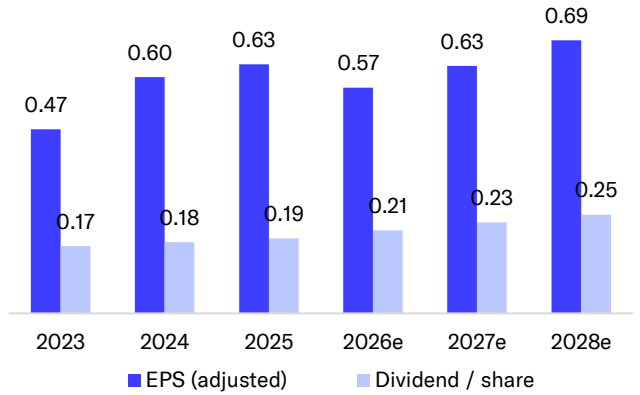
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Market trends are favorable for Digia's offering
- Still potential for improvement in profitability
- Increasing recurring services and scalable business
- Internationalization
- Acquisitions

Risk factors

- Threat of AI disruption
- Competitiveness in the talent competition, wage inflation and employee turnover
- M&A integrations
- Return on investments
- Project risks of large projects and customers' bargaining power
- Positioning as a mid-sized player between large and small operators
- Failure in internationalization

Valuation	2026e	2027e	2028e
Share price	5.14	5.14	5.14
Number of shares, millions	26.8	26.8	26.8
Market cap	138	138	138
EV	153	142	129
P/E (adj.)	9.0	8.2	7.4
P/E	11.2	9.3	8.1
P/B	1.4	1.3	1.1
P/S	0.6	0.6	0.6
EV/Sales	0.7	0.6	0.6
EV/EBITDA	6.5	5.4	4.6
EV/EBIT (adj.)	7.6	6.4	5.4
Payout ratio (%)	45.9 %	41.6 %	39.6 %
Dividend yield-%	4.1 %	4.5 %	4.9 %

Source: Inderes

Efficiency measures boosted earnings above expectations

Revenue held its ground, driven by international business and proprietary products

Digia's revenue decreased by 1% to 49 MEUR, exceeding our estimate of 48 MEUR. Revenue was fully organic. The revenue level was supported by growth in the Managed Solutions and Financial Platforms service areas. Geographically, international business grew strongly (12%), and the decline in Finnish business revenue eased to 4% (Q2'26: -7%). The Service and maintenance business grew by 2%, while project revenue decreased by 4%. Market challenges continued to be reflected as delays in project starts and smaller-than-planned volumes of development work in some customer accounts. Conversely, according to the company, Q3 was the best of the current year in terms of contract value, which is underscored by the significant Digia Financial Systems delivery contract signed with OP after the review period. Digia has not disclosed the exact size of the contract, but we know that it is multi-year, will clearly increase the unit's capacity, and will require recruitment. It is also a good reference among larger banking and wealth management clients.

Efficiency measures propelled profitability to a beat

Digia's adjusted EBITA reached 5.2 MEUR, exceeding our 4.7 MEUR estimate clearly. The adjusted EBITA margin rose to 10.6%, which beat our 9.9% estimate and simultaneously marked the best quarterly result of the current year. The better-than-expected profitability is explained by the company's measures to renew its operations and improve operational efficiency. We estimate that these actions successfully addressed the challenges seen in Q2. In the uncertain project market, margins were likely also supported by the fact that the share of recurring service and maintenance business in revenue increased to 53% (Q3'25: 52%). The quality of the earnings is highlighted by the fact that the company achieved a good margin while continuing its strategic investments in productization, the utilization of AI, and internationalization. The reported EPS was EUR 0.13, which exceeded our EUR 0.11 estimate. The company does not report expense lines in more detail in its business reviews, which prevents a more detailed cost analysis.

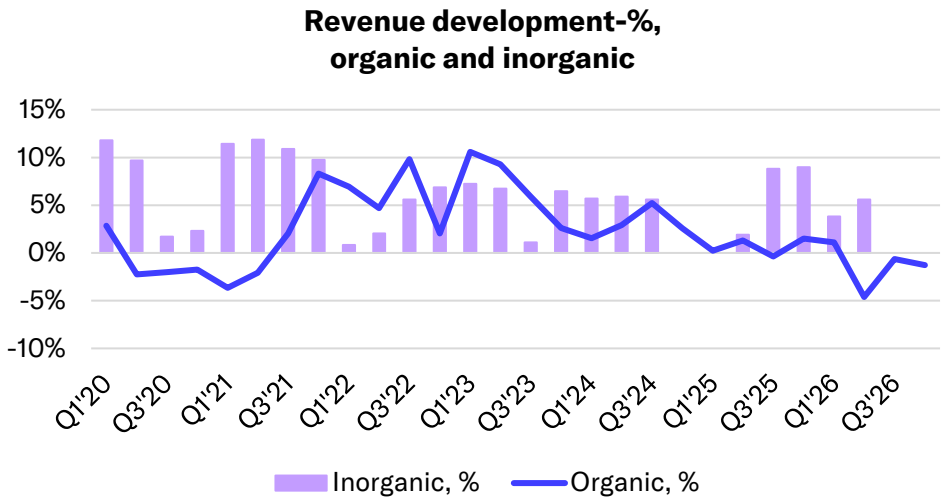
Market commentary was cautious, but more positive than before

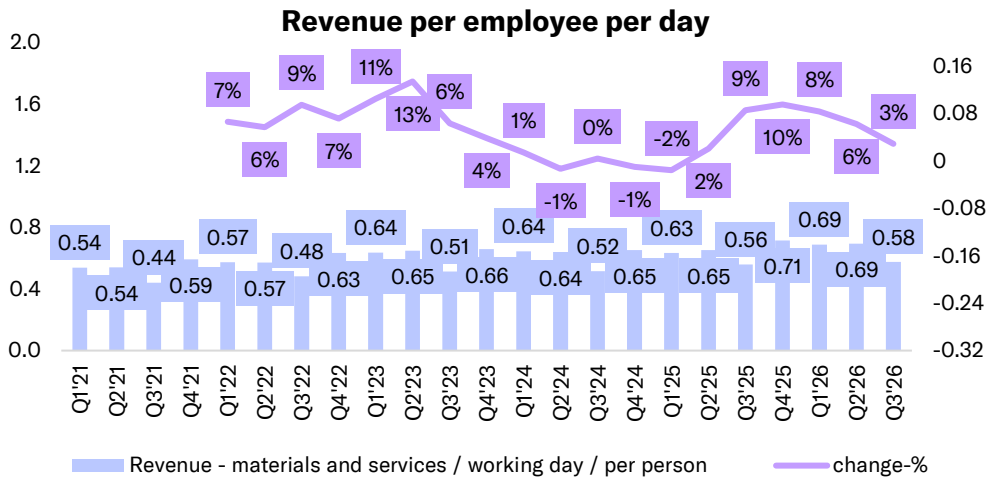
The market still showed caution, which was particularly visible in slow decision-making. However, the general sentiment has improved. In terms of sales, Q3 was better than the previous strong quarter (Q2). We believe the strong new sales achieved during the review period provide a solid backbone, as we head into next year. Further, there were preliminary signs of the unwinding of the investment backlog finally starting, which was reflected in ERP projects.

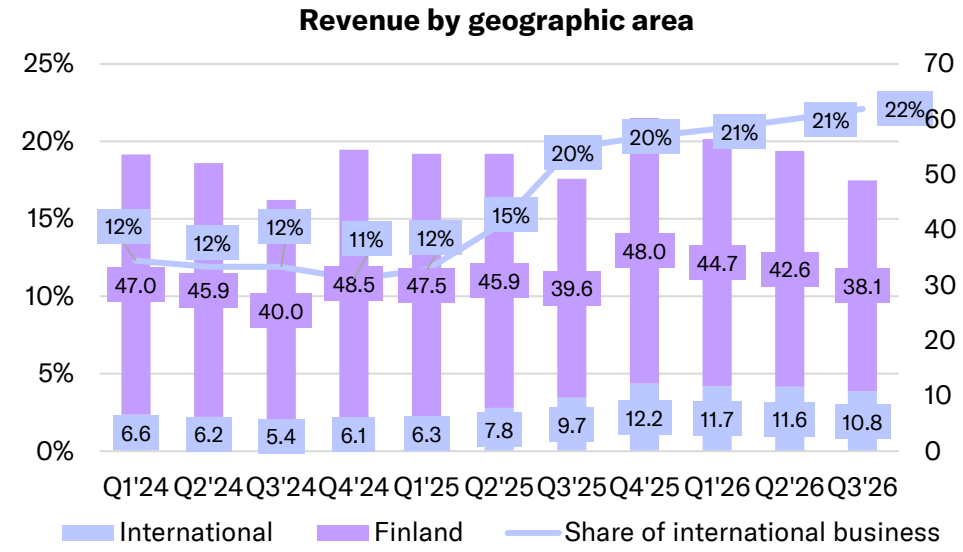
Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	49.3	49.0	48.0				2%	219
Organic growth-%	-0.4 %	-0.6 %	-2.7 %				2.1 pp	-1.5 %
EBITA (adj.)	5.6	5.2	4.7				10%	20.1
EBIT	4.3	4.6	4.0				14%	16.4
EPS (adj.)	0.16	0.15	0.13				12%	0.57
EPS (reported)	0.12	0.13	0.11				18%	0.57
Revenue growth-%	8.5 %	-0.6 %	-2.7 %				2.1 pp	1.0 %
EBITA-% (adj.)	11.3 %	10.6 %	9.9 %				0.7 pp	9.2 %

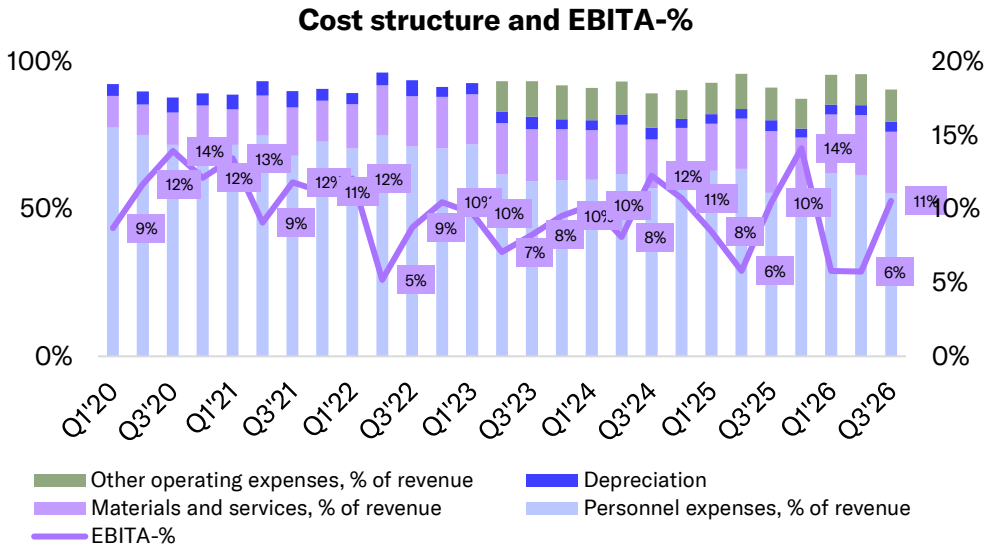
Source: Inderes

Digia's key figures

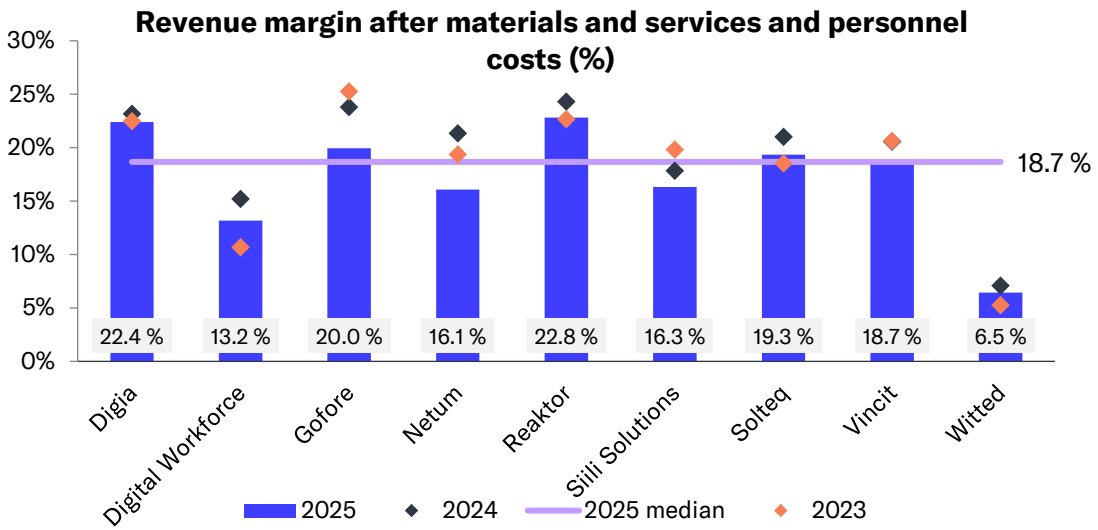


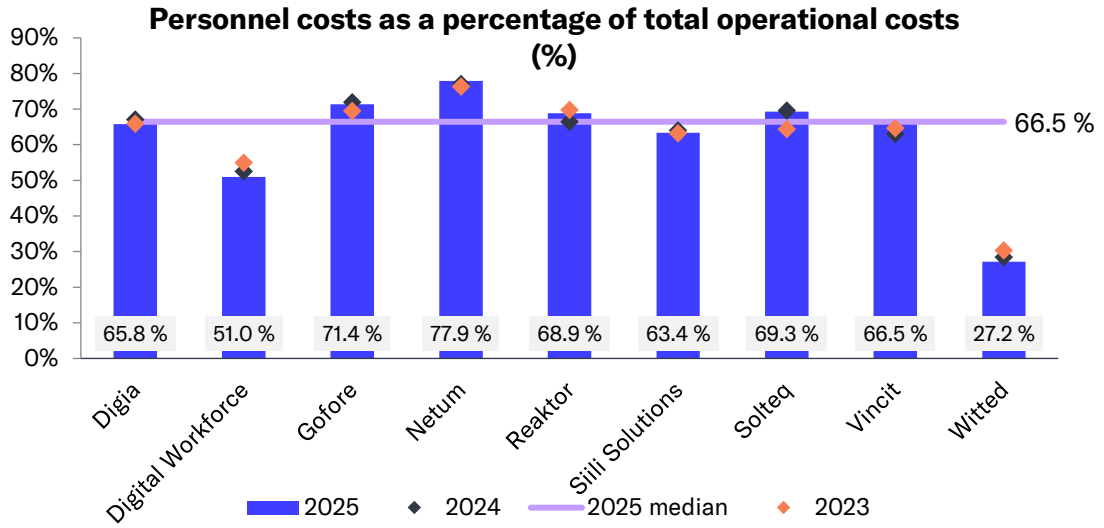


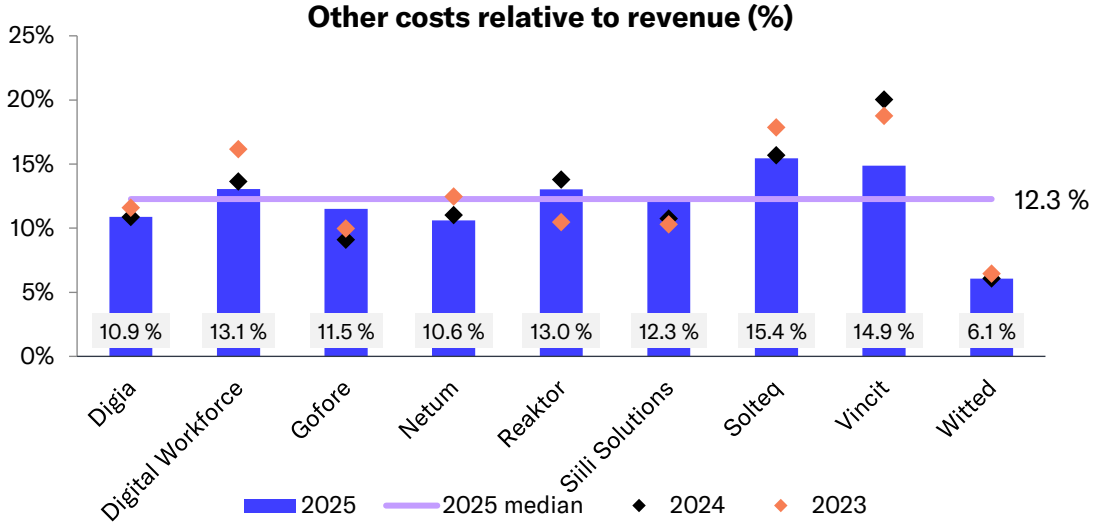


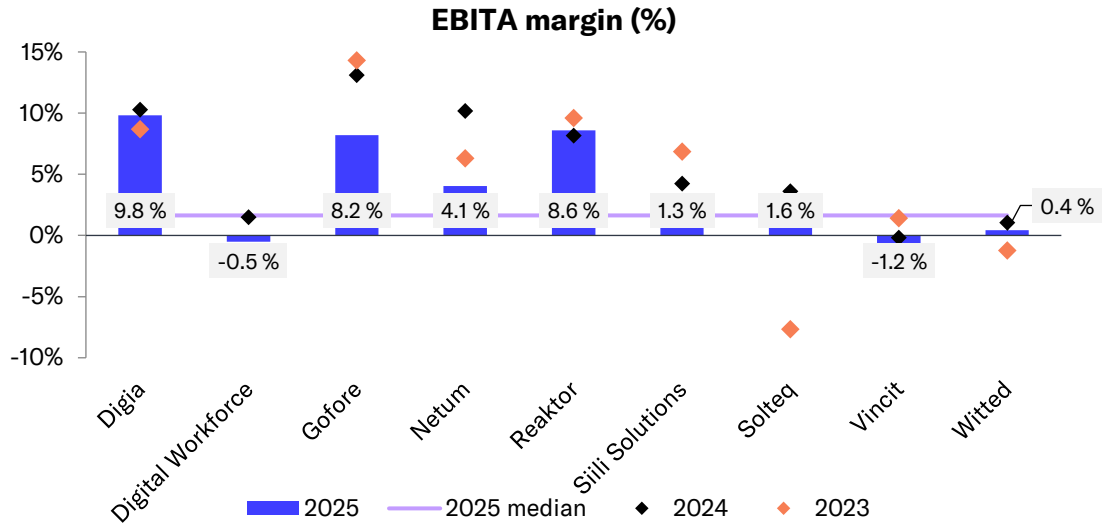


Relevant reported indicators for the sector 1/2



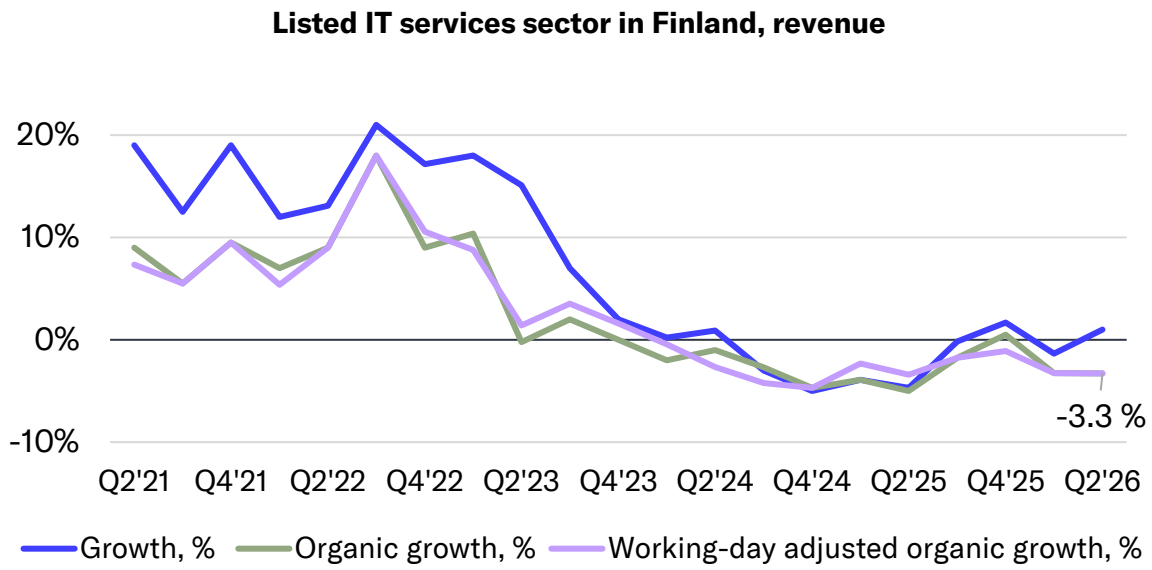


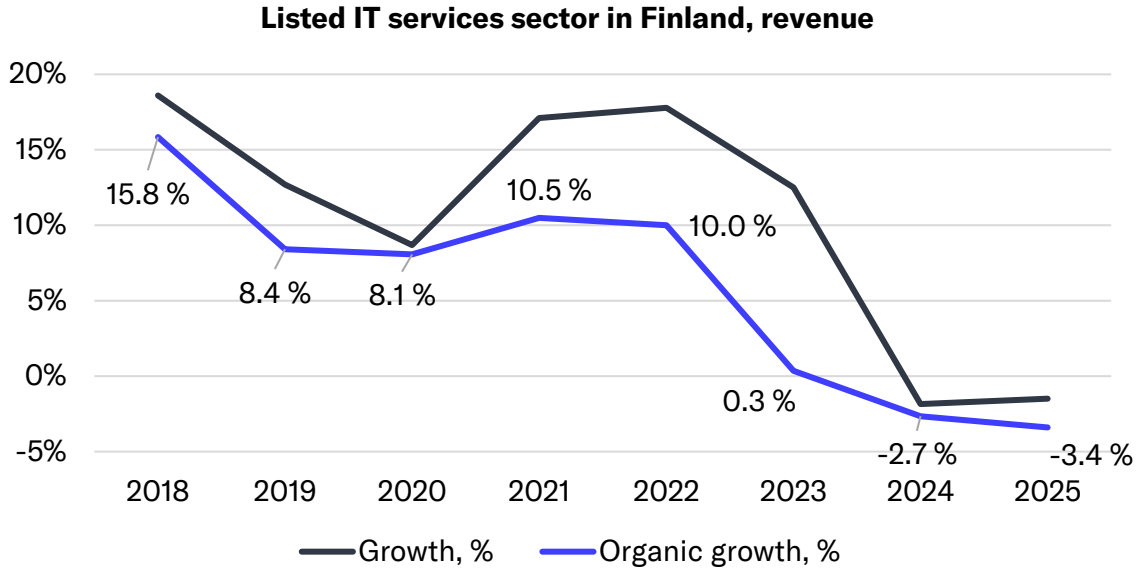


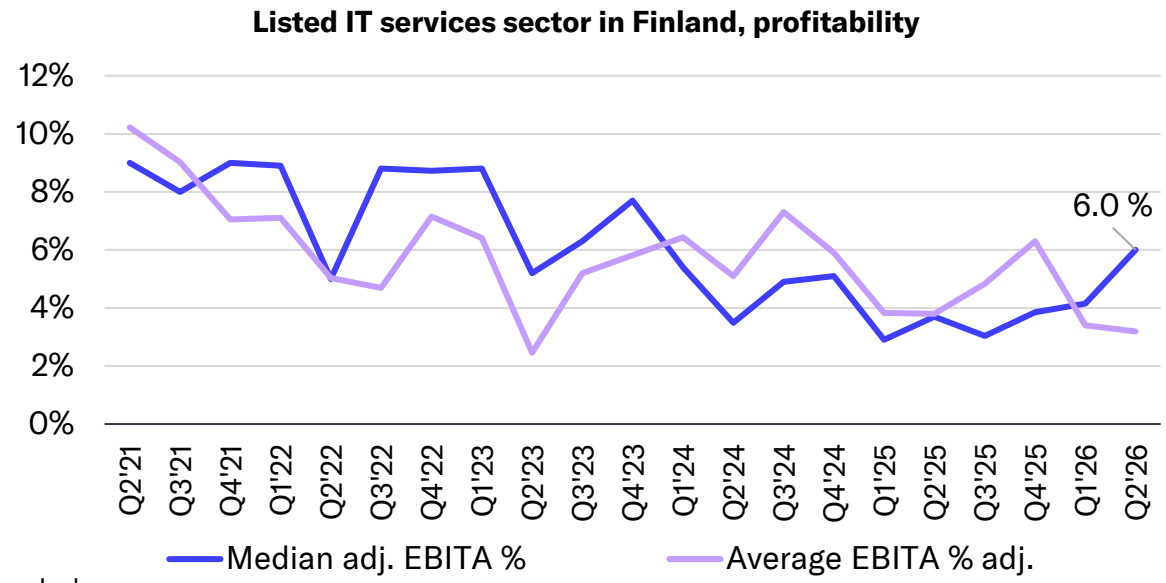


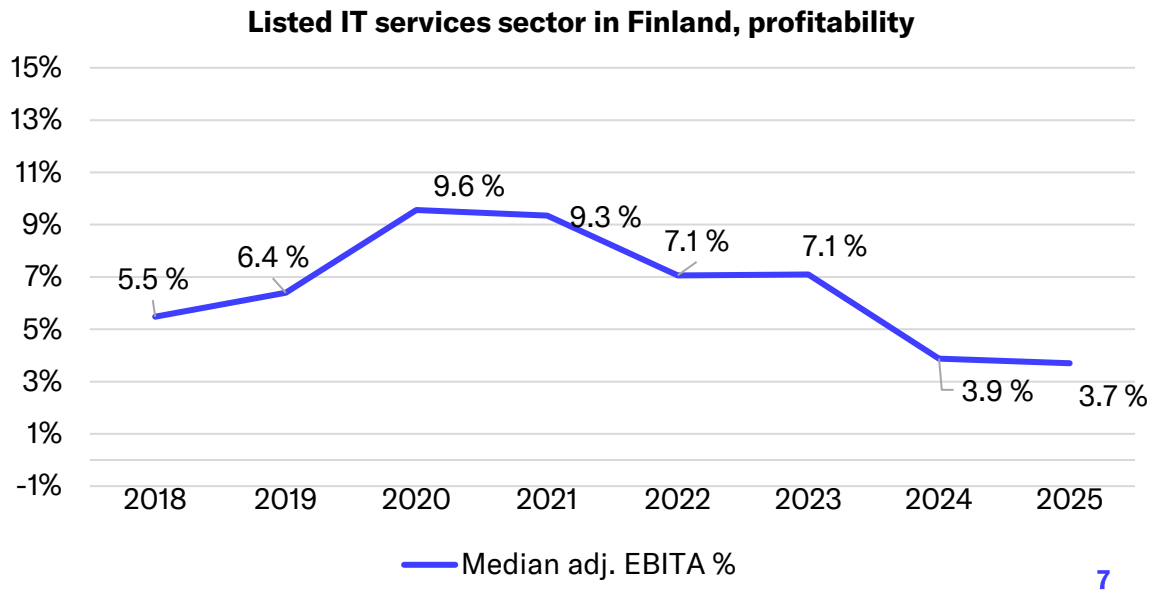
Source: Inderes and the companies

Relevant reported indicators for the sector 2/2









Source: Inderes

Estimates virtually unchanged

Estimate revisions

Estimates remain virtually unchanged The adjusted earnings estimates for 2026-2027 decreased by 1-2%, and the earnings estimate for 2028 increased by 2%.

Estimates 2026e-2028e

We estimate 1% revenue growth in 2026, driven by the Savangard acquisition. Organically, we expect revenue to decline by 1%, driven by the weak performance early in the year. We estimate that the EBITA margin will decrease slightly in 2026, weighed down by H1'26, to 8.8% (2025: 9.8 %) and adjusted for non-recurring items to 9.2% (2025: 10.5%). We adjust for one-off costs of change negotiations or fair value changes. We believe that the profitability level is satisfactory for the company and better than the sector, but Digia should have the potential for profitability that is a few percentage points higher, driven by its own products. In our estimates, reported EBITA stands at 19.2 MEUR, which is below the comparison period's 21.3 MEUR and in line with the guidance.

In 202-2028, we estimate organic revenue growth of 2-3%. The estimates rely on a gradual market recovery and contract wins in Q2-Q3'26. If the company succeeds in its international strategy, there is upside in our estimates. We estimate that adjusted profitability will rise to just above 10% in 2027-2028 as investments decrease and scalability improves. On the other hand, there is still wage inflation and tight customer pricing, for which the sector is currently seeking a solution in new pricing models. Thus, we expect profitability in the coming years to be slightly below the 12% financial target, but still clearly better than in the sector.

Operational earnings drivers

Growth drivers:

- Scalable services and solutions
- Internationalization
- Expanding into new service areas within customer accounts (cross-selling)
- M&A

Profitability drivers:

- Product growth
- Productivity of scalable solutions and AI investments
- Headwind from wage inflation, increased subcontracting, and investments in 2026
- Finding new pricing models

Balance sheet

- The equity ratio was 49% and net gearing 26% at the end of Q3’26. The company has used debt for acquisitions and generally repays debt efficiently.
- Good cash flow continuously strengthens the balance sheet and thus provides leeway for new acquisitions in the future.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	219	219	0%	224	224	0%	234	231	-1%
EBITDA	23.6	23.4	-1%	26.6	26.2	-1%	27.9	28.3	2%
EBIT (exc. NRIs)	20.3	20.1	-1%	22.4	22.0	-2%	23.7	24.1	2%
EBIT	16.5	16.4	0%	20.1	19.5	-3%	21.7	22.1	2%
PTP	15.5	15.4	0%	18.9	18.5	-2%	20.7	21.2	2%
EPS (excl. NRIs)	0.58	0.57	-1%	0.63	0.63	-1%	0.68	0.69	2%
DPS	0.21	0.21	0%	0.23	0.23	0%	0.25	0.25	0%

Source: Inderes

Valuation 1/2

Investment perspective – multiple value drivers

Digia has strengthened its profile as an earnings growth company and has risen in recent years to become one of the sector's top performers, which supports the share valuation. In the short term, however, market weakness is limiting the IT services sector. Digia managed for several years without the market significantly restricting it, but now it has temporarily turned to a decline (organic growth in 2023-2025 of +9%, +3%, and +1% vs. Q1-Q3'26 of -2%).

However, Digia's risk profile remains low compared to the sector due to the company's broad offering and customer base, the large share of recurring revenue, and consequently, the stable business. The company’s profile, compared to IT service companies that have grown in the digital age, is distinguished by a more comprehensive offering, a large share of recurring revenue and a relatively large share of proprietary products. In our view, Digia is still one of the current top performers in the sector in terms of growth and profitability profile (Rule of 20), which supports a higher valuation than the IT services sector.

Value creation is driven by revenue growth and moderately improved profitability. There is still more potential in profitability than in our forecasts, but this requires evidence of the productivity of investments and support from a better market situation. In the long term, we believe that Digia's value creation will stem from success in organic growth, synergies in service areas, improved efficiency, growth in scalable business and overall competitiveness, which together determine the key driver of earnings growth. The company has generally also succeeded in acquisitions, thereby accelerating growth. In the long term, we also consider Digia a potential takeover target as the active consolidation of the IT market continues.

The key risks relate to customer demand and price pressure, the disruptive threat of AI, investment productivity, projects, acquisitions, and internationalization.

Multiple-based valuation

Digia's valuation can currently be monitored well through all earnings-based valuation multiples. The valuation multiples we primarily use in the sector and for Digia are adjusted P/E and EV/EBIT multiples. Historically, Digia has made very few cash flow-related adjustments. Adjustments are particularly justified when comparing the company to its peers.

With our estimates, Digia's adjusted EV/EBIT and P/E ratios for 2026 are 8x and 9x, which we consider an attractive level. We consider an acceptable 2026e P/E multiple for Digia to be 12-14x and an EV/EBIT multiple of 10-12x, which is around 10-20% higher than the Finnish sector level. Relative to the good and stable earnings growth outlook and the large share of recurring services and maintenance (Q3’26: 53%), the valuation can simply be described as very attractive. Following the profit warning in September, a significant short-term risk has been removed, and Q3 profitability supports the lowered guidance.

In general, the valuation level of the IT services sector has been under pressure for the past couple of years due to geopolitical risks, rising interest rates and the general weak economic situation. The weak market situation has been reflected in the sector's earnings levels, which has weighed on the sector's valuation levels. We believe the sector will be more clearly divided into winners and losers, which will be reflected in operational development and differences in valuation. The AI revolution is largely driving this development. We see Digia as one of the winners, driven by deep customer relationships and a broad service offering.

Valuation	2026e	2027e	2028e
Share price	5.14	5.14	5.14
Number of shares, millions	26.8	26.8	26.8
Market cap	138	138	138
EV	153	142	129
P/E (adj.)	9.0	8.2	7.4
P/E	11.2	9.3	8.1
P/B	1.4	1.3	1.1
P/S	0.6	0.6	0.6
EV/Sales	0.7	0.6	0.6
EV/EBITDA	6.5	5.4	4.6
EV/EBIT (adj.)	7.6	6.4	5.4
Payout ratio (%)	45.9 %	41.6 %	39.6 %
Dividend yield-%	4.1 %	4.5 %	4.9 %

Source: Inderes

Valuation 2/2

Peer group

In our view, Digia should be positioned among the Nordic IT service companies as an established player with a broad offering, its own products, and around half is recurring business. We believe that a good Nordic peer group can be found for Digia, against which the valuation can be mirrored and supported. In the peer group, we have used Inderes' estimates for the companies we cover, which takes into account goodwill amortization and improves comparability between Finnish companies. A similar peer for Digia emerged when Vincit and Bilot merged, even though Vincit is currently undergoing a very strong transformation and facing operational challenges. In addition, Netum shares several characteristics with Digia, but on the other hand, like Vincit, it is a clear turnaround company and significantly smaller.

In our view, Digia's share can be assigned a higher valuation level than the Finnish sector in a normal business environment, due to its stable business operations and performance, good prospects, and the increasing scalability of the business.

Digia is valued at around 40% below Finnish peers with 2026 EV/EBIT and P/E ratios. Thus, the company is relatively very attractively valued. The company's earnings level can be considered relatively stable in the sector context, as a large part of the company's revenue is recurring (the share of service and maintenance business was 53% in Q3'26).

Components of the expected return for the share

We look at the expected return on the Digia share in terms of earnings growth, dividend yield and accepted valuation multiples. We estimate that the company has the potential for ~10% annual adjusted earnings growth (CAGR 2026-2028) in the coming years, driven by revenue growth and improved profitability. With our dividend estimates (40-46% of earnings) that moderately exceed the dividend policy (at least 30% of earnings), the dividend yield is at a level of 4-5%. The strong cash flow provides a good basis for a relatively high dividend payout, but we estimate that the company will repay debt and continue to pursue inorganic growth, which is why our dividend forecasts are moderate.

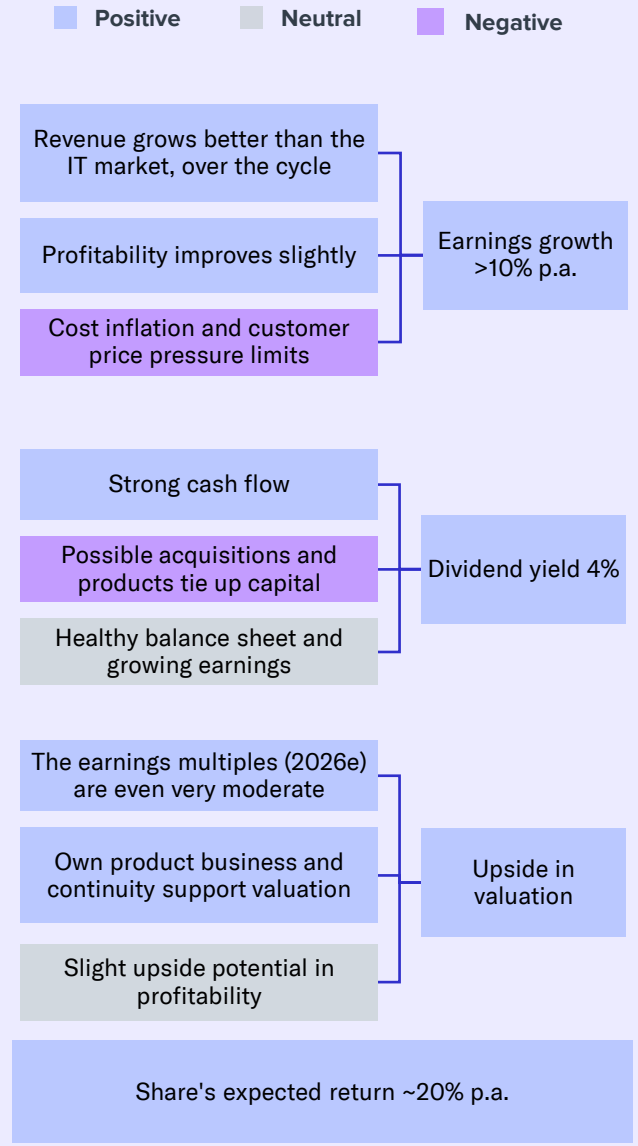
We see the 2026 multiples as moderate. Consequently, the return expectation, which currently consists of the share's dividend yield, earnings growth and moderate upside potential in valuation multiples, rises to ~20% per annum. The expected return clearly exceeds the cost of equity.

DCF analysis

In our valuation, we still give more weight to valuation multiples than to the cash flow model, even though the company's business development is stable and improves the reliability of the cash flow model. Our DCF model indicates a value of EUR 8.3 per Digia share. In our estimate model, which is even relatively conservative, Digia will grow at an average rate of 3% in 2026-2033 and 1.5% in the long term. In addition, the EBIT margin will rise to around 10% in 2029-2030, after which it will decrease to 8.5% in the terminal period, reflecting profitability that is only slightly better than the sector average and weaker than the company's recent years. The weight of the terminal assumption in the model is relatively small (49%), which is due to moderate terminal assumptions and, in a way, makes it easier to rely on the model. The weighted average cost of capital (WACC) we use in the cash flow model is 8.7%.

The cash flow calculation thus clearly indicates a higher level than the current one, which supports at least a positive view on the stock.

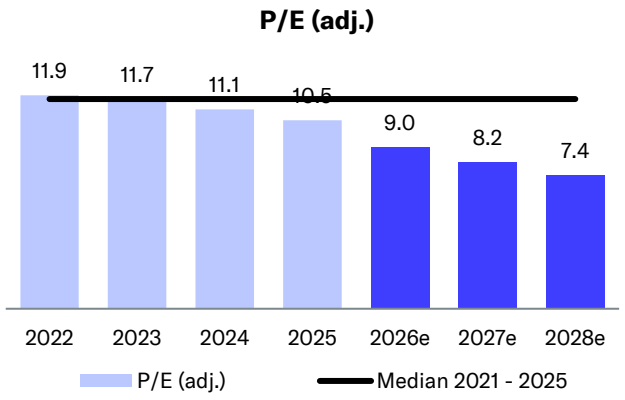
Total shareholder return drivers 2026-2028

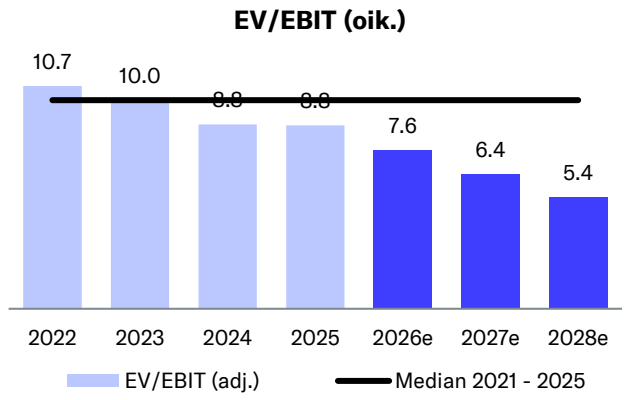


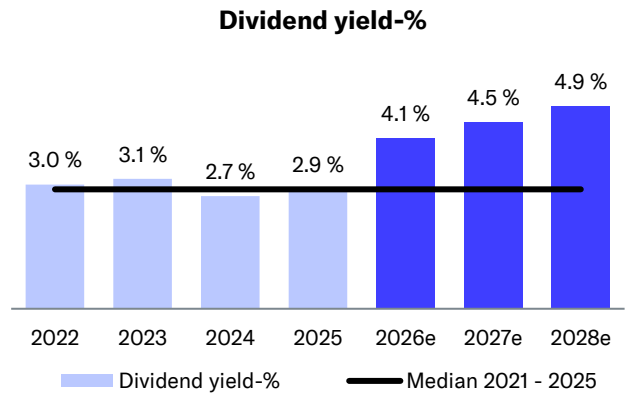
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.71	5.46	6.66	6.64	**5.14**	**5.14**	**5.14**	**5.14**
Number of shares, millions	26.7	26.8	26.8	26.7	**26.8**	**26.8**	**26.8**	**26.8**
Market cap	152	146	179	177	**138**	**138**	**138**	**138**
EV	170	171	190	201	**153**	**142**	**129**	**116**
P/E (adj.)	11.9	11.7	11.1	10.5	**9.0**	**8.2**	**7.4**	**6.7**
P/E	15.9	14.8	13.4	13.8	**11.2**	**9.3**	**8.1**	**7.1**
P/B	2.1	1.9	2.1	1.9	**1.4**	**1.3**	**1.1**	**1.0**
P/S	0.9	0.8	0.9	0.8	**0.6**	**0.6**	**0.6**	**0.6**
EV/Sales	1.0	0.9	0.9	0.9	**0.7**	**0.6**	**0.6**	**0.5**
EV/EBITDA	8.6	8.1	7.5	7.9	**6.5**	**5.4**	**4.6**	**3.8**
EV/EBIT (adj.)	10.7	10.0	8.8	8.8	**7.6**	**6.4**	**5.4**	**4.3**
Payout ratio (%)	47.4 %	46.2 %	36.3 %	39.5 %	**45.9 %**	**41.6 %**	**39.6 %**	**37.3 %**
Dividend yield-%	3.0 %	3.1 %	2.7 %	2.9 %	**4.1 %**	**4.5 %**	**4.9 %**	**5.3 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**
Digital Workforce*	28	32	19.8	10.0	17.7	8.4	1.0	0.9	27.0	9.2	3.8	4.6
Gofore*	197	208	10.9	8.8	8.8	7.1	0.9	0.9	14.6	12.5	4.1	4.2
Loihde*	93	119	16.9	13.0	8.5	6.9	0.7	0.6	17.0	14.9	5.4	5.9
Netum Group*	10	20		25.0		14.3	0.7	0.7		45.5		
Siili Solutions*	21	26	14.6	8.4	7.1	4.4	0.3	0.2	41.7	10.2	1.5	2.3
Solteq*	6	31	22.6	14.9	18.0	10.0	0.7	0.7				
Tieto	2224	2589	9.5	10.0	7.6	8.3	1.5	1.5	12.3	11.7	4.8	5.1
Vincit*	14	16		7.7	5.3	2.5	0.3	0.2		11.5		4.7
Witted Megacorp*	23	18	8.3	6.8	8.5	6.6	0.3	0.3	14.2	11.9	3.1	4.4
Avensia AB	19	19	8.3	5.3	5.2	3.9	0.5	0.5	11.4	6.8		
Bouvet	515	531	12.3	11.1	10.0	9.2	1.4	1.3	15.7	14.1	6.5	6.5
CombinedX	46	21	1.5	4.2	1.1	2.4	0.3	0.3	3.5	11.5		
Exsitec	144	181	13.7	10.8	10.1	7.4	1.9	1.7	18.9	12.8	1.6	1.7
Knowit	286	333	24.5	12.2	7.6	6.3	0.7	0.6	30.9	18.6	2.0	2.7
Netcompany Group	2429	2991	20.2	15.4	15.0	12.0	2.3	2.1	22.5	17.1		
NNIT	146	188	15.4	10.6	9.6	7.5	0.8	0.8	98.1	11.8		1.2
Webstep	34	38	6.1	5.3	4.8	4.3	0.5	0.4	6.2	5.4	11.7	12.5
Digia (Inderes)	**138**	**153**	**7.6**	**6.4**	**6.5**	**5.4**	**0.7**	**0.6**	**9.0**	**8.2**	**4.1**	**4.5**
Average			**13.4**	**10.4**	**8.9**	**7.1**	**0.9**	**0.8**	**23.1**	**13.9**	**4.6**	**4.7**
Median all			**13.0**	**10.0**	**8.5**	**7.0**	**0.7**	**0.7**	**15.7**	**11.8**	**4.1**	**4.6**
Duiff-% to median all			*-42%*	*-36%*	*-23%*	*-23%*	*-2%*	*-7%*	*-43%*	*-30%*	*-1%*	*-2%*
Median Finnish			***12.7***	***9.4***	***8.5***	***7.0***	***0.7***	***0.7***	***14.6***	***11.7***	***4.1***	***4.6***
Diff-% to median Finnish			*-40%*	*-32%*	*-23%*	*-23%*	*-2%*	*-7%*	*-38%*	*-30%*	*-1%*	*-3%*

Source: Refinitiv / *Inderes' adjusted estimate. NB! The market cap used by Inderes does not consider treasury shares.

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**206**	**53.8**	**53.7**	**49.3**	**60.2**	**217**	**56.4**	**54.3**	**49.0**	**59.5**	**219**	**224**	**231**	**242**
EBITDA	**25.4**	**5.6**	**4.0**	**6.2**	**9.5**	**25.3**	**4.3**	**4.2**		**8.7**	**23.4**	**26.2**	**28.3**	**30.8**
Depreciation	-7.2	-1.7	-1.8	-1.9	-1.8	-7.2	-1.9	-1.8		-1.7	-7.0	-6.7	-6.2	-5.8
EBITA (oik.)	**21.5**	**4.8**	**4.4**	**5.6**	**8.1**	**22.9**	**4.0**	**3.4**	**5.2**	**7.6**	**20.1**	**22.0**	**24.1**	**26.6**
EBIT	**18.2**	**3.9**	**2.2**	**4.3**	**7.7**	**18.1**	**2.5**	**2.4**	**4.6**	**7.0**	**16.4**	**19.5**	**22.1**	**25.0**
Net financial items	-1.3	-0.5	-0.3	-0.4	-0.6	-1.7	-0.3	-0.3		-0.3	-1.0	-1.0	-1.0	-0.7
PTP	**16.9**	**3.4**	**2.0**	**3.9**	**7.1**	**16.4**	**2.2**	**2.1**		**6.8**	**15.4**	**18.5**	**21.2**	**24.3**
Taxes	-3.6	-0.7	-0.5	-0.7	-1.7	-3.5	-0.5	-0.5		-1.4	-3.1	-3.7	-4.2	-4.9
Net earnings	**13.3**	**2.7**	**1.5**	**3.2**	**5.4**	**12.8**	**1.8**	**1.7**	**3.4**	**5.4**	**12.3**	**14.8**	**16.9**	**19.4**
EPS (adj.)	**0.60**	**0.13**	**0.13**	**0.16**	**0.21**	**0.63**	**0.11**	**0.09**	**0.15**	**0.22**	**0.57**	**0.63**	**0.69**	**0.77**
EPS (rep.)	**0.50**	**0.10**	**0.06**	**0.12**	**0.20**	**0.48**	**0.07**	**0.06**	**0.13**	**0.20**	**0.46**	**0.55**	**0.63**	**0.72**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	7.1 %	0.2 %	3.2 %	8.5 %	10.5 %	5.5 %	4.9 %	1.0 %	-0.7 %	-1.3 %	1.0 %	2.0 %	3.4 %	4.5 %
EBITA (oik.) kasvu	25.8 %	-12%	-4%	-2%	39%	6%	-18%	-23%	-7%	-6%	-11.9 %	9.2 %	9.8 %	10.0 %
EBITA-% (oik.)	10.5 %	9.0 %	8.1 %	11.3 %	13.5 %	10.5 %	7.1 %	6.2 %	10.6 %	12.8 %	9.2 %	9.8 %	10.4 %	11.0 %
Liikevoitto-%	8.9 %	7.2 %	4.1 %	8.8 %	12.7 %	8.4 %	4.4 %	4.4 %	9.3 %	11.8 %	7.5 %	8.7 %	9.6 %	10.3 %
Net earnings-%	6.5 %	5.1 %	2.8 %	6.6 %	8.9 %	5.9 %	3.1 %	3.1 %	7.0 %	9.1 %	5.6 %	6.6 %	7.3 %	8.0 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**97.6**	**114**	**114**	**114**	**115**
Goodwill	92.8	106	106	106	106
Intangible assets	0.0	0.0	0.2	0.4	0.6
Tangible assets	3.6	6.6	6.6	6.7	6.9
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.7	0.7	0.7	0.7
Other non-current assets	0.5	0.7	0.7	0.7	0.7
Deferred tax assets	0.3	0.2	0.2	0.2	0.2
Current assets	**56.2**	**73.3**	**72.6**	**77.6**	**86.8**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	38.0	49.1	50.4	51.4	53.2
Cash and equivalents	18.2	24.2	22.2	26.2	33.6
Balance sheet total	**163**	**197**	**194**	**197**	**204**

Source: Inderes

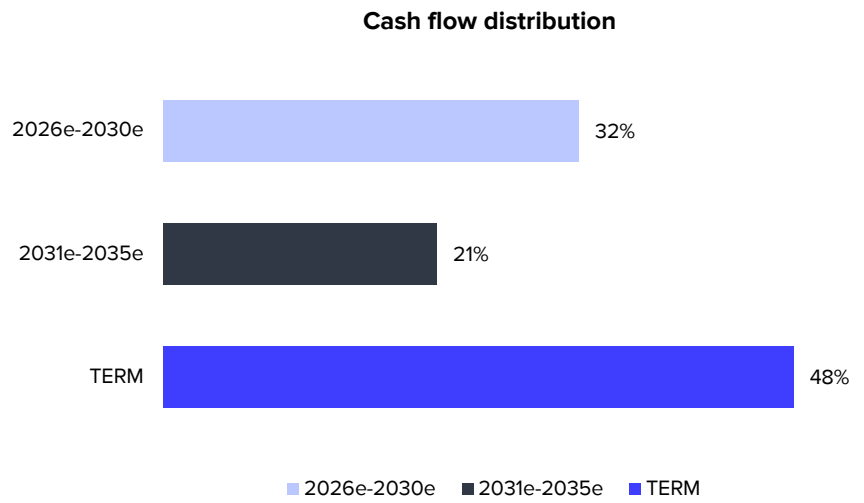
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**83.7**	**93.5**	**101**	**110**	**121**
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	39.6	49.3	56.5	65.7	76.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	42.1	42.1	42.1	42.1	42.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.0**	**42.2**	**32.9**	**28.8**	**24.9**
Deferred tax liabilities	2.0	2.4	2.0	2.0	2.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	15.0	35.5	26.6	22.5	18.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	4.3	4.3	4.3	4.3
Current liabilities	**62.7**	**61.3**	**60.2**	**57.9**	**58.6**
Interest bearing debt	14.8	12.4	10.8	7.5	6.5
Payables	47.9	48.9	49.4	50.4	52.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**163**	**197**	**194**	**197**	**204**

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.5 %	1.0 %	2.0 %	3.4 %	4.5 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	8.4 %	7.5 %	8.7 %	9.6 %	10.3 %	10.0 %	9.5 %	9.0 %	8.5 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	**18.1**	**16.4**	**19.5**	**22.1**	**25.0**	**24.9**	**24.4**	**23.8**	**23.1**	**22.4**	**22.8**	
+ Depreciation	7.2	7.0	6.7	6.2	5.8	5.1	4.4	4.5	4.6	4.7	4.6	
- Paid taxes	-3.1	-3.5	-3.7	-4.2	-4.9	-4.9	-4.8	-4.6	-4.5	-4.4	-4.4	
- Tax, financial expenses	-0.4	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-10.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	**11.8**	**18.8**	**22.3**	**23.9**	**25.7**	**25.0**	**23.8**	**23.5**	**23.0**	**22.5**	**22.8**	
+ Change in other long-term liabilities	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-23.7	-4.4	-4.5	-4.6	-4.7	-4.7	-4.8	-4.8	-4.9	-4.9	-5.0	
Free operating cash flow	**-7.6**	**14.4**	**17.8**	**19.3**	**21.1**	**20.2**	**19.0**	**18.6**	**18.2**	**17.6**	**17.8**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.6	14.4	17.8	19.3	21.1	20.2	19.0	18.6	18.2	17.6	17.8	251
Discounted FCFF		**14.2**	**16.1**	**16.1**	**16.2**	**14.3**	**12.3**	**11.1**	**10.0**	**8.9**	**8.3**	**116**
Sum of FCFF present value		244	230	214	198	181	167	155	144	134	125	116
Enterprise value DCF		**244**										
- Interest bearing debt		-47.9										
+ Cash and cash equivalents		24.2										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-5.1										
Equity value DCF		**215**										
Equity value DCF per share		**8.0**										

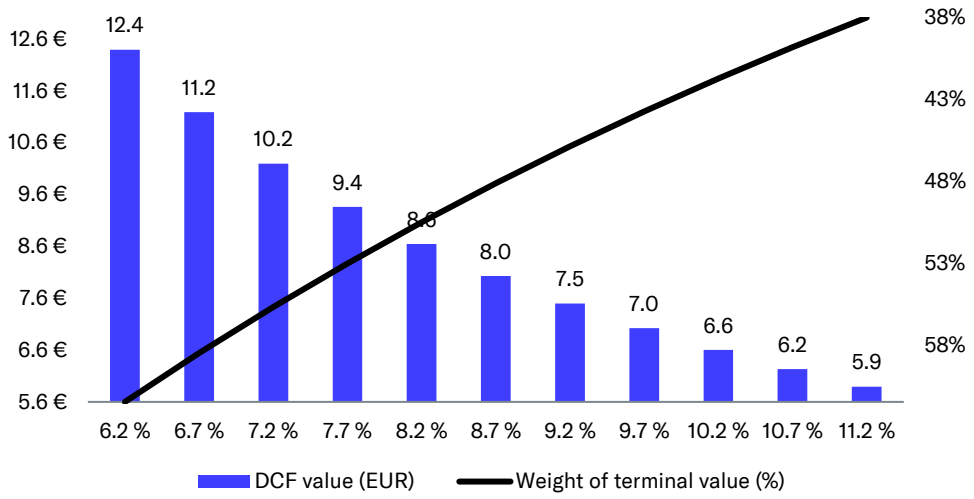
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	6.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	3.0 %
Cost of equity	**9.7 %**
Weighted average cost of capital (WACC)	**8.7 %**

Source: Inderes

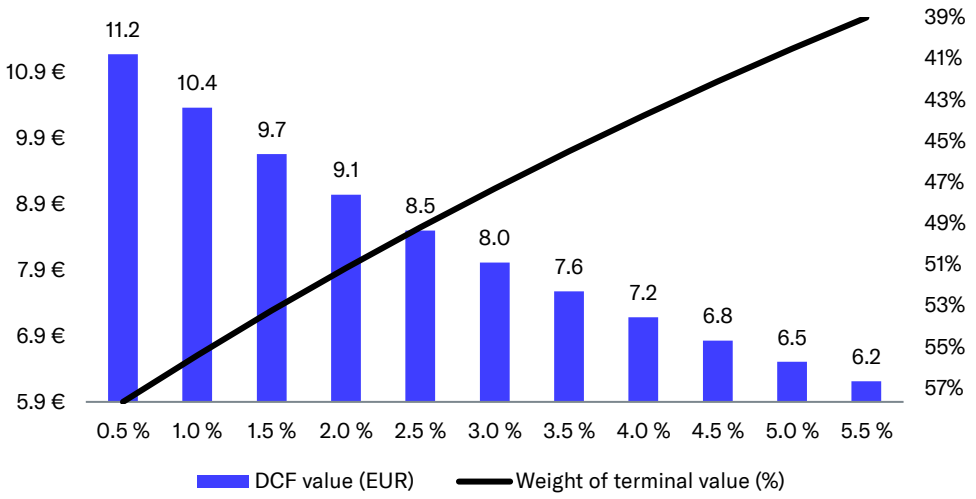


DCF sensitivity calculations and key assumptions in graphs

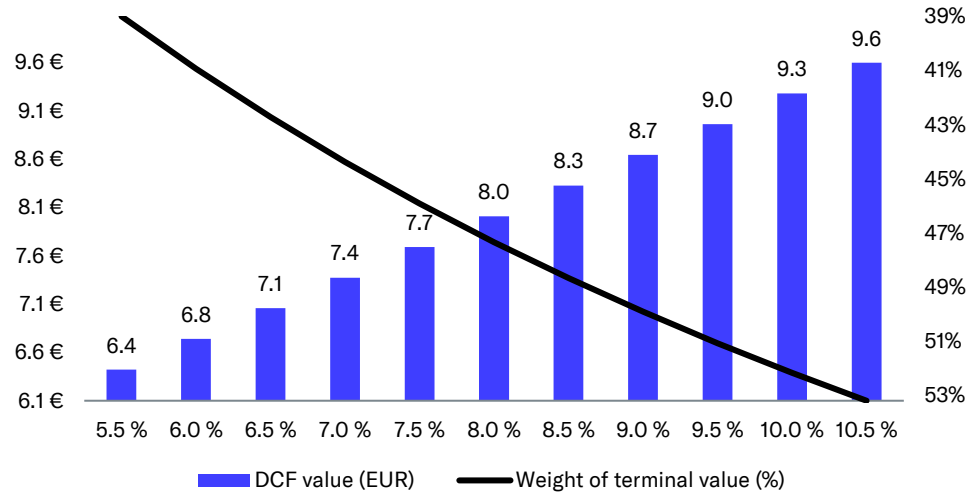
Sensitivity of DCF to changes in the WACC-%



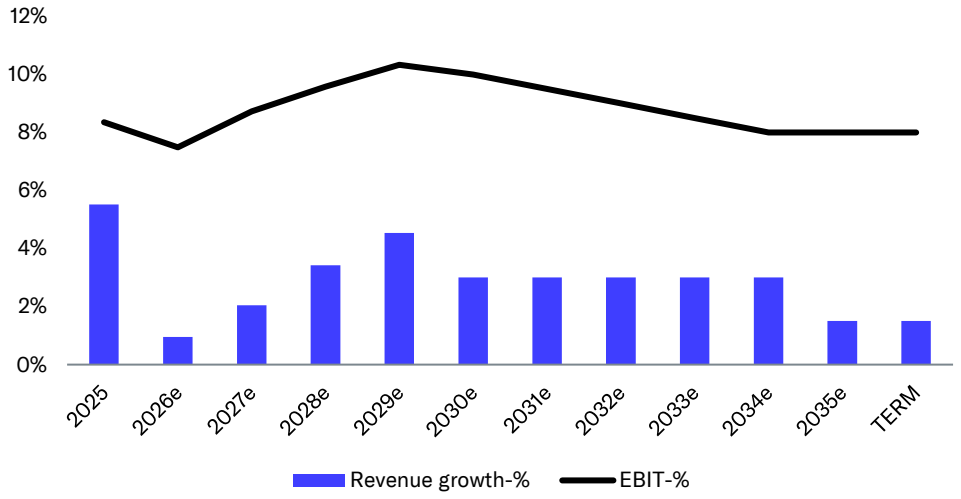
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	192.0	205.7	217.0	**219.1**	**223.6**
EBITDA	21.1	25.4	25.3	**23.4**	**26.2**
EBIT	13.8	18.2	18.1	**16.4**	**19.5**
PTP	12.4	16.9	16.4	**15.4**	**18.5**
Net Income	9.9	13.3	12.8	**12.3**	**14.8**
Extraordinary items	-3.3	-3.3	-4.8	**-3.7**	**-2.5**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	168.2	163.5	197.0	**193.7**	**196.5**
Equity capital	75.4	83.7	93.5	**100.7**	**109.9**
Goodwill	93.3	92.8	105.5	**105.5**	**105.5**
Net debt	24.8	11.6	23.7	**15.2**	**3.8**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	21.1	25.4	25.3	**23.4**	**26.2**
Change in working capital	-4.5	3.0	-10.0	**-0.9**	**0.0**
Operating cash flow	13.8	23.9	11.8	**18.8**	**22.3**
CAPEX	-12.5	-1.3	-23.7	**-4.4**	**-4.5**
Free cash flow	-0.5	19.1	-7.6	**14.4**	**17.8**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	0.9	0.9	**0.7**	**0.6**
EV/EBITDA	8.1	7.5	7.9	**6.5**	**5.4**
EV/EBIT (adj.)	10.0	8.8	8.8	**7.6**	**6.4**
P/E (adj.)	11.7	11.1	10.5	**9.0**	**8.2**
P/B	1.9	2.1	1.9	**1.4**	**1.3**
Dividend-%	3.1 %	2.7 %	2.9 %	**4.1 %**	**4.5 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.37	0.50	0.48	**0.46**	**0.55**
EPS (adj.)	0.47	0.60	0.63	**0.57**	**0.63**
OCF / share	0.52	0.89	0.44	**0.70**	**0.83**
OFCF / share	-0.02	0.71	-0.29	**0.54**	**0.66**
Book value / share	2.81	3.12	3.50	**3.75**	**4.10**
Dividend / share	0.17	0.18	0.19	**0.21**	**0.23**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	12%	7%	6%	**1%**	**2%**
EBITDA growth-%	7%	20%	0%	**-8%**	**12%**
EBIT (adj.) growth-%	7%	26%	1%	**-10%**	**15%**
EPS (adj.) growth-%	-3%	28%	5%	**-9%**	**10%**
EBITDA-%	11.0 %	12.4 %	11.7 %	**10.7 %**	**11.7 %**
EBIT (adj.)-%	8.7 %	10.3 %	9.8 %	**8.8 %**	**9.8 %**
EBIT-%	7.2 %	8.9 %	8.4 %	**7.5 %**	**8.7 %**
ROE-%	13.5 %	16.7 %	14.5 %	**12.6 %**	**14.1 %**
ROI-%	12.8 %	16.1 %	14.2 %	**11.7 %**	**14.0 %**
Equity ratio	44.9 %	51.2 %	47.4 %	**52.0 %**	**55.9 %**
Gearing	32.8 %	13.9 %	25.4 %	**15.1 %**	**3.5 %**
Net debt/EBITDA	1.2	0.5	0.9	**0.6**	**0.1**
EBITDA/net financials	15.0	20.0	14.6	**23.4**	**26.2**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2019	Buy	4.00 €	3.48 €
9/9/2019	Reduce	4.00 €	4.02 €
10/29/2019	Accumulate	4.00 €	3.72 €
11/1/2019	Accumulate	4.00 €	3.82 €
2/10/2020	Accumulate	5.20 €	4.90 €
5/8/2020	Accumulate	5.70 €	5.24 €
6/15/2020	Accumulate	5.70 €	4.99 €
8/12/2020	Accumulate	6.40 €	6.00 €
11/2/2020	Reduce	6.90 €	6.84 €
12/16/2020	Accumulate	7.20 €	6.34 €
2/10/2021	Reduce	8.40 €	8.56 €
3/16/2021	Accumulate	8.40 €	7.28 €
5/5/2021	Reduce	8.60 €	8.40 €
7/8/2021	Accumulate	8.60 €	7.61 €
8/9/2021	Accumulate	8.40 €	7.68 €
9/2/2021	Accumulate	8.40 €	7.53 €
10/19/2021	Accumulate	8.10 €	7.02 €
11/1/2021	Accumulate	8.10 €	6.90 €
2/9/2022	Accumulate	8.10 €	7.45 €
5/5/2022	Accumulate	8.40 €	7.25 €
8/10/2022	Accumulate	8.00 €	7.10 €
10/31/2022	Reduce	6.50 €	6.24 €
2/13/2023	Reduce	6.50 €	6.48 €
5/5/2023	Buy	6.80 €	5.56 €
8/4/2023	Accumulate	6.80 €	5.76 €
8/11/2023	Accumulate	6.60 €	5.88 €
9/27/2023	Accumulate	6.60 €	5.58 €
10/30/2023	Accumulate	5.80 €	4.89 €
11/16/2023	Accumulate	6.20 €	5.52 €
2/12/2024	Accumulate	6.20 €	5.24 €
5/10/2024	Accumulate	6.40 €	5.62 €
8/12/2024	Accumulate	6.40 €	5.58 €
10/28/2024	Buy	7.30 €	5.92 €
2/26/2025	Accumulate	7.80 €	6.96 €
4/28/2025	Buy	7.80 €	6.22 €
5/9/2025	Buy	8.30 €	6.54 €
6/5/2025	Accumulate	8.30 €	7.34 €
8/8/2025	Accumulate	8.00 €	6.72 €
10/24/2025	Accumulate	7.20 €	5.98 €
2/4/2026	Accumulate	7.20 €	6.36 €
2/6/2026	Buy	7.50 €	6.34 €
4/30/2026	Buy	7.50 €	5.50 €
8/7/2026	Accumulate	6.80 €	5.70 €
10/28/2026	Buy	6.80 €	5.14 €



CONNECTING INVESTORS AND COMPANIES.

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